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18 September 1957

MEMORANDUM FOR: Chairman, GMIC

FROM : GMIC Intelligence Advisor, REG

SUBJECT : Periodic Report #1

1. This report is intended to supplement the Weekly Progress Reports of REG. A copy of the latest progress report, dated 13 September, is attached as inclosure #1.

2. Timeliness of Reporting. Discussions with the REG Staff on timeliness of reporting were deferred for two weeks following my arrival by the illness of the Chief and the absence of his deputy. Mr. Hayden Channing was informed of GMIC's concern over timely dissemination of the Weekly Progress Reports and advance copies of EG reports. He advises that both series are dispatched to REG Washington by "fast pouch." Cable dispatch of the progress reports is not practical because of a current drive to reduce message content. Mr. Channing has, since 2 September, sent two memoranda to REG Washington urging improvement of communications with GMIC. The problem is reportedly complicated by the lack of a direct channel from REG to GMIC - IDC must approve dissemination. Recent delays in dissemination of EG Reports have been due to a breakdown of reproduction facilities.

3. Interrogation of New Sources.

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25X1C Preliminary technical interrogation of source was completed by Dr. Saunders on 13 September, following a review of requirements by GMIC () on 11 September. The FIR will be forwarded to the editors this week, to be followed by three technical reports covering the Monino seeker project, the SHM program, and the B-200 program. (The latter breakdown is in line with GMIC's desire, and REG's policy of producing shorter reports to improve production and dissemination.) Source's two-week leave, scheduled to begin this week has been deferred for one week. Upon his return on 7 October, technical interrogation will be continued by Mr. James Pokorny (AFOIN). Maj. Almon Samuelson and Capt. William Hoey (AFOIN), both returning to the US this week, will be able to provide GMIC with details on the interrogation to date.

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b. [REDACTED]. Preliminary interrogation will be resumed next week, with Dr. Saunders directing the technical interrogation. Lcdr. Doyle will interrogate both [REDACTED] on the ShM at a later date.

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c. Requirements on [REDACTED] are urgently solicited in order that they may be serviced early in the interrogations.

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25X1C 4. Other Source Under Exploitation. Interrogation of [REDACTED] was concluded on 13 September. Exploitation [REDACTED] 25X1A and [REDACTED] is continuing.

25X1A [REDACTED] (ORR) is making a substantial contribution to the program in providing day-to-day guidance to the interrogation teams in the general intelligence area. He has likewise participated in the interrogation of [REDACTED]. He has done much to bring the interrogation program into a desirable balance. The GMIC Intelligence Advisor has thus far participated in the interrogation of [REDACTED] on general intelligence subjects.

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25X1B 5. Acquisition of ShM Component. An attempt is being made to acquire a small motor, a component of the ShM control system. Several of these were brought from the USSR by sources still in East Germany. It is hoped that [REDACTED] will throw additional light on the AAM program. Results will not be known before 2 October.

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25X1C 6. Subordination of "the Institute." [REDACTED] has been able to rationalize earlier statements about subordination of "the institute." He states that Waldemar MOELLER sent a letter to the Ministry of Heavy Machine Building in early 1953, urging that the [REDACTED] 25X1C then be placed on unclassified work in line with the terms of their 1951 contracts. The letter was returned with instructions to readdress it to the Ministry of General Machine Building. MOELLER showed the letter around his shop to impress his people with his concern for their welfare and told of the ministerial change. At about this period, the building passed of the [REDACTED] were changed, but source recalls no essential differences between the two passes, except for the insertion of new photographs. This information will be reported in RG-1826. In an attempt to resolve conflicting reports on subordination and changes in subordination by a new approach, the GMIC Advisor prepared a brief interrogation guide on vacation and recreation of the [REDACTED]. A copy is forwarded for information as incl. 2.

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7. Target Priorities. A revised list of [REDACTED], dated 18 September is forwarded as inclosure 3. The list reflects no changes in priorities. However, target priorities will be reviewed at an early meeting of the Dragon Committee. GMIC recommendations should be submitted to the Intelligence Advisor as soon as possible. Such recommendations should be based in large part on present gaps in information both in the technical and general intelligence areas.

8. Operations. Prospects for the defection of additional sources remain good. One of the current prospects is a [REDACTED] who visited a missile plant and allegedly saw the surface-to-air missile, performing adjustments on the control system. 25X1C

9. Future Exploitation on SHM Missile. A meeting of the Dragon Committee was convened on 18 September to receive a report by LCDR Doyle on his visit to the US and his briefing of GMIC. He advised of the arrival of Mr. Lee Matthews of Sperry at [REDACTED] on or before 1 October under Navy sponsorship. Mr. Duncan Parsons of Sperry will remain at REG to consult with Matthews and to provide continued support in the interrogations. The joint interrogation of [REDACTED] is now tentatively scheduled for 28-29 September. Following the meeting of the trio, REG will produce a composite report covering prior reinterrogations of the three sources together with the results of the joint interrogation. 25X1A 25X1C

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